

## **Rupert Murdoch to Put Media Empire in Sons' Hands**

Media baron Rupert Murdoch has decided to name his son James as his successor. James will be made the chief executive of 21st Century Fox, the entertainment flagship of the group that owns television and cable networks, film studios and satellite companies. His other son, Lachlan will be made the co-executive chairman of the company. Lachlan will move base from Australia to Los Angeles in the USA to work together with James. Rupert will continue to provide broad strategic direction to the company as its executive chairman. The Murdoch family owns about 40 percent stake in both 21st Century Fox and News Corporation - the other half of their media empire. Rupert has more rights in the family trust than his children, thus he effectively controls the entire empire. However, this move of elevating James is a strong sign of a succession plan in action. Rupert's daughter Elisabeth is part of the family trust but is not involved in the business.

People close to the family say that James and Lachlan enjoy a good relationship and Rupert want them to jointly manage the business. While 21st Century Fox is a growing, lucrative business, News Corp faces the challenges of a traditional journalism company. The media industry is transforming and the Murdoch brothers will have to face the challenge of dealing with digital distribution and advertising technologies. Analysts describe James as a seasoned executive who has had experience of managing media businesses in different countries, which would come handy to him in leading the group. James was appreciated for turning around the operations at British Sky Broadcasting satellite television company into a broader communications business.

Last year Rupert had made Lachlan non-executive chairman of News Corp and 21st Century Fox, while James was made the co-chief operating officer of 21st Century Fox. The recent moves are seen by industry experts as continuation of a series of steps that Rupert has taken to finally pass on the control of his nearly \$80bn media empire to his sons.

Source: The New York Times, June 11, 2015